



U.S. Congressman Chris John

Representing Louisiana's 7th Congressional District

2002 Farm Bill Summary

On Thursday, May 2, the U.S. House of Representatives passed the 2002 Farm Bill (HR 2646, The Farm Security Act) with my vote, by a 280-141 margin. Overall, this legislation is a positive step toward sustainable agricultural policy. Congress was able to implement a worthwhile and real safety net for Louisiana's commodity producers, while maintaining the planting flexibility of the 1996 Freedom to Farm Bill.

Additionally, provisions for updated base acreage and payment yields and a 6 year authorization of established target prices, were key components of this bill. They will provide producers with the stability and predictability necessary to make long-term planting and business decisions. Although this bill is not perfect, the legislation as a whole will better allow a sustainable agricultural economy in Southwest Louisiana, while reducing dependence on yearly ad hoc emergency supplemental assistance.

I have put together this summary of the Farm Bill for your reference -- I hope you will find it useful. Please call me or my staff with any questions -- (202) 225-2031 in Washington, (337) 235-6322 in Lafayette and (337) 433-1747 in Lake Charles.

Summary of Bill:

\$167 billion over 10 years for agriculture programs (6 year authorization)

\$73.5 billion above current spending level

Grain, cotton, and rice programs have increased about **\$50 billion** from current program levels through this bill.

Louisiana's priorities for the 2002 Farm Bill:

Working with the Louisiana Farm Bureau, I was able to put together a House delegation letter outlining Louisiana's priorities for the 2002 Farm Bill. Below is a summary of the requests and results of this letter.

- Requested **payment yields** and **base acreage updates**, such as those contained in the Senate bill.

The final bill includes an option to keep current AMTA base acres or update them to reflect current acreage. If a farmer chooses to update his base acreage, he may also update payment yields to reflect current yield averages. This is for counter-cyclical payments only, and is applicable on 85% of base acreage.

- Requested removal of Grassley-Dorgan **payment limitation** language from Senate bill.

A compromise was reached, and the payment limit will be \$180,000 (\$360,000 with spouse). Generic certificates will still be available, as well as 3-entity rule and current labor-management rules.

- Requested **waiver of beneficial interest on LDPs**.

This is an issue I have been working on since the beginning of the Farm Bill debate. Beneficial interest will be waived for the 2001 (last year's) crop. However, this will not be extended for future years, as we would have preferred. I am currently in discussion with the appropriate committees and commodity groups in a continued attempt to extend this language for future years.

- Requested **elimination of the forfeiture penalty on sugar**.

Forfeiture penalty was successfully eliminated, effectively keeping the sugar price support at 18 cents per pound.

- Requested a compact for southern **dairy** farmers.

Although we were not able to get a dairy compact, a 3½ year **\$1.3 billion counter-cyclical program** was instituted. Additionally, the \$9.90/cwt milk price support is maintained.

- Requested **sweet potato** exemption from certain crop insurance provisions.

This exemption is included, allowing sweet potato farmers more extensive crop insurance coverage. Extends coverage through storage of the crop, when damage becomes apparent.

- Requested a **\$2.3 billion disaster program**.

This program did not make it into the final farm bill language. However, there are still limited disaster relief programs available through USDA for those areas hit hardest by adverse weather conditions over the past year.

Rice and Soybean Programs:

	Rice (cwt)	Soybeans (bushels)
Target Price	\$10.50 *	\$5.80
Direct Payment	\$2.35	\$0.44
Loan Rate	\$6.50	\$5.00

* I requested a \$10.65 target price for rice, but it was changed at the last minute to \$10.50. This decrease in target price is a result of accounting adjustments, however, and does not reflect any loss or gain in the total rice subsidy program.

Financing for the purchase of U.S. agricultural products by Cuba did not make it into the final Farm Bill language. Cuba may still purchase our agricultural products, but only on a cash basis.

Conservation programs were increased by over **\$17 billion** dollars (80% above current levels), including significant acreage cap increases in the Conservation Reserve Program (CRP), and the Wetlands Reserve Program (WRP).

*My office and I are happy to answer any questions regarding the 2002 Farm Bill or this summary. Just call any of my offices and ask to speak with **Jacob Roche, my Agriculture Legislative Assistant.***

Sincerely,

Chris John
Member of Congress